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UPDATE 1-Russia's Sberbank delays forum, banks uneasy over Ukraine SBER.MM VTBR.MM - RTRS

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- State-controlled Sberbank postpones investment conference
- Bankers in Moscow nervous about threat of sanctions

(New throughout, adds comments from Moscow bankers, background about possible sanctions)

By Megan Davies

MOSCOW, March 12 (Reuters) - Russia's largest bank Sberbank SBER.MM has postponed one of the country's highest profile investment conferences due to volatility stemming from the situation in Ukraine, the bank said on Wednesday.

The move underscores increasing nervousness in Moscow's banking sector in the face of Western threats of economic sanctions in response to Russia's seizure of Crimea. (Full Story)

Leaders in Washington and Western Europe have signaled they are prepared to impose asset freezes and other sanctions against those responsible for violating the sovereignty of Ukraine.

"In capital markets everything is on hold," said one Moscow-based investment banker who added that deals are now being scrutinised at banks' highest levels.

"Banks are trying to work in something in the legal language and documentation that if there were sanctions imposed, what would that mean," the banker said.

State-controlled Sberbank had scheduled its Russia Forum event for April 10 to 12, but said in a statement it had decided to change the timing to the autumn following feedback from companies and investors.

The forum, held in Moscow, is a major annual event in Russia's business community. It has drawn top Russian and international business people and economists as speakers, as well as top politicians including President Vladimir Putin.

The decision to postpone was made in light of the "lack of short-term visibility around the Ukraine situation (and) uncertain economic dynamics and elevated volatility on capital

markets," Sberbank said.

The move comes a week after VTB Capital, the investment banking arm of Russia's second-largest bank VTB VTBR.MM, postponed an investment forum scheduled for April 8 to 9 in New York.

"We have rescheduled our NY event in order to ensure the availability of keynote speakers and to confirm those dates that will be convenient for the forum's target audience," VTB Capital said in a statement.

Russia's moves in Ukraine's Crimea region have led to a sharp fall in the rouble and predictions from some economists that Russia could fall into recession. (Full Story)

U.S. Secretary of State John Kerry said on Wednesday that nothing justified Russia's takeover in the Black Sea peninsula but he declined to get into details about the administration's plans to impose sanctions on Moscow if a solution is not found. (Full Story)

"I don't want to go into all of the detail except to say ... it can get ugly fast if the wrong choices are made, and it can get ugly in multiple directions," Kerry said. "So, our hope is that indeed there is a way to have a reasonable outcome, here."

In Moscow, bankers said they hoped that the situation does not deteriorate so far that the U.S. and Europe detonate the 'nuclear option' of freezing dollars held in corresponding overseas accounts resulting in foreign banks being forced out of Russia and trade being disrupted.

"It's a gun where one barrel is pointed at the enemy and the other back at you," said the Moscow-based banking advisor. "If you pull the trigger you'll shoot yourself in the face as well as your opponent. It is nuclear, because trade stops in any direction."

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